



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

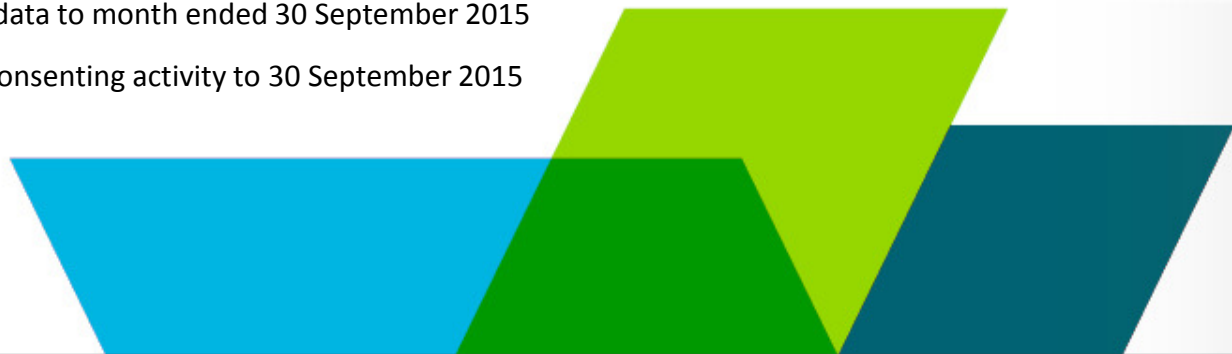


Auckland Housing Accord Final Report for Second Accord Year

October 2014 to September 2015

Based on:

- City-wide building consent data to month ended 30 September 2015
- City-wide new sections data to month ended 30 September 2015
- Housing Project Office consenting activity to 30 September 2015



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Executive summary – City wide

- Excellent progress in Accord Year 2. The net number of new sections created and dwellings issued with building consents in Year 2 was 12,709, which is 97.8 per cent of the 13,000 target
- Exceeded the 2-Year combined target of 22,000 by 1,806 (8.2%)
- City-wide results Year 2 Accord (October 2014 – September 2015) show:
 - 8,721 – the number of new dwellings issued with building consents to September 2015 is the best in any 12-month period since 2005, a decade ago
 - An 18% increase on the same period of the previous year (up by 1,318 from 7,403 in Accord Year 1)
 - 3,755 dwellings in multi-unit buildings issued with building consents in the 12 months to September 2015, up by over 913 from 2,842 in the same period in the previous year
 - More choice with multi-unit dwellings accounting for 43% of new dwellings issued with building consents in the 12 months to September 2015.
- In July 2015, there were 1,116 new dwellings issued with building consent. This is the first time monthly consents have exceeded 1,000 dwellings since March 2005.
- The land supply position continues to significantly improve owing to SHAs
 - The supply of “ready to go” greenfield land is 6.15 years (1 year over the Auckland Plan minimum target of 5 years).
 - SHAs are delivering a significant land supply pipeline with 4.19 years of Future Urban Zone land in SHAs over 2 Accord years.

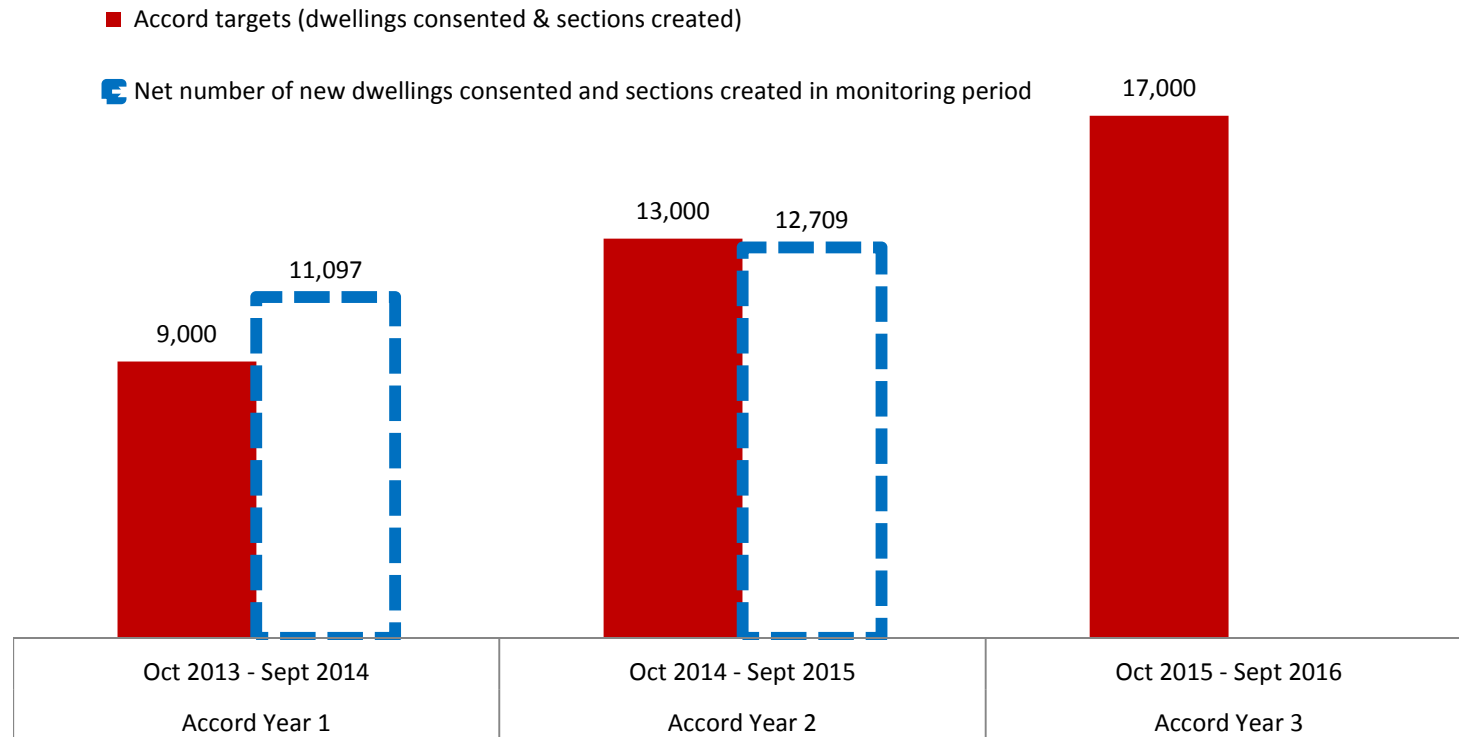
Overview

The net number of new sections created and dwellings issued with building consents in Accord Year 1 (11,097) exceeded the target of 9,000.

In the Accord Year 2 the net number of new sections created and dwellings issued with building consents (12,709) was 97.8% of the Year 2 target of 13,000.

Net number of new dwellings with building consents and sections created

Auckland; Oct 2014 – September 2015; adjusted for dwelling /section combinations



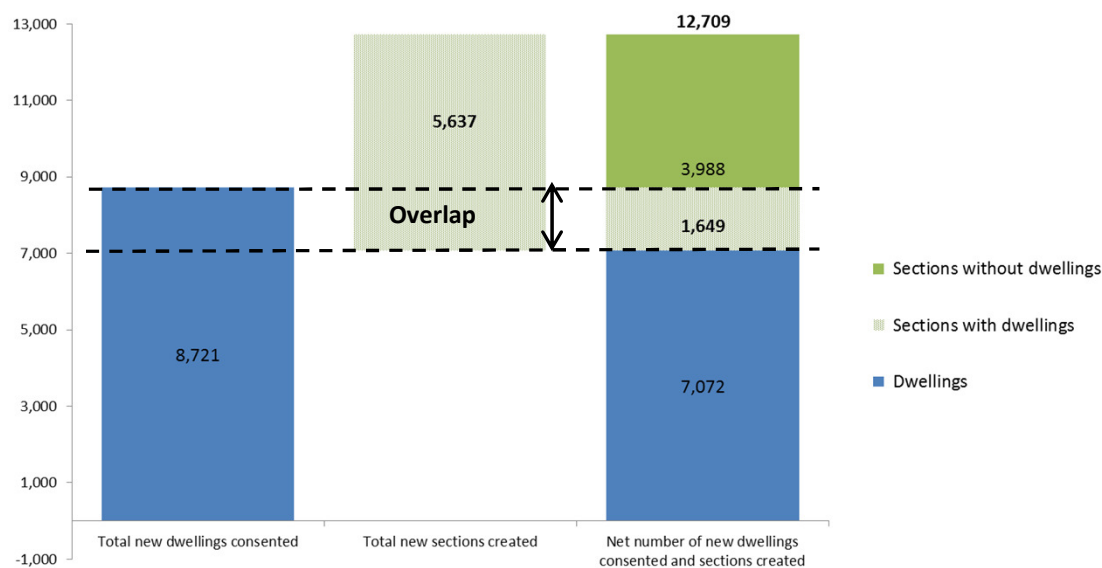
Net total Dwellings and Sections in Accord Year 2

The number of new dwellings issued with building consents (8,721) and the number of new sections created (5,637) in the Accord Year 2 must each be adjusted for the 1,649 occasions on which they overlap.

After adjustment there were net 12,709 dwellings issued with building consents and sections created in the Accord Year 2, 291 below target.

Net number of new dwellings with building consents and sections created*

Auckland; Oct 2014 – September 2015; adjusted for dwelling/section combinations; Statistics NZ (dwellings); Land Information NZ (sections)



* As illustrated in the graph above, **the net total** adjusts for any overlap between new sections created and the dwellings that are consented on those sections (i.e. it avoids double-counting). Where a newly created section has a dwelling consented on it, the section and dwelling are counted as one. If more than one dwelling is consented on the section, then the additional dwellings are also counted.

Special Housing Areas: Accelerating development – (See case studies following)

- Special housing areas are successfully accelerating development of greenfield and brownfield sites with zoning and consenting 3 to 6 times faster than under RMA; 1226 dwellings with building consents issued over 2 years
- Under HASHAA, from the time of a request for an SHA, being received, all end-to-end planning processes are being completed *and* resource consents granted in as little as:
 - 13 months for greenfield sites (including plan variations); and
 - 11 months for brownfield sites which are able to use Unitary Plan zonings under the Accord to enable more intensive residential development without plan change
- Under the Resource Management Act 1991:
 - the urban zoning and consenting of rural greenfield land can take between 3 to 6 times longer to complete before development starts than under HASHAA*.
 - the rezoning of brownfield sites to enable more intensive development can take between 2 and 6 years**

*Plan Change 24 Franklin - Pokeno Structure Plan and Rezoning notified December 2008 – Operative date, June 2011

*Plan Change 127 – Huapai North Special Zone notified March 2010 – Operative date, February 2013

**Plan Change 34 - Milford Residential Overlay notified October 2008 – Operative date, December 2014

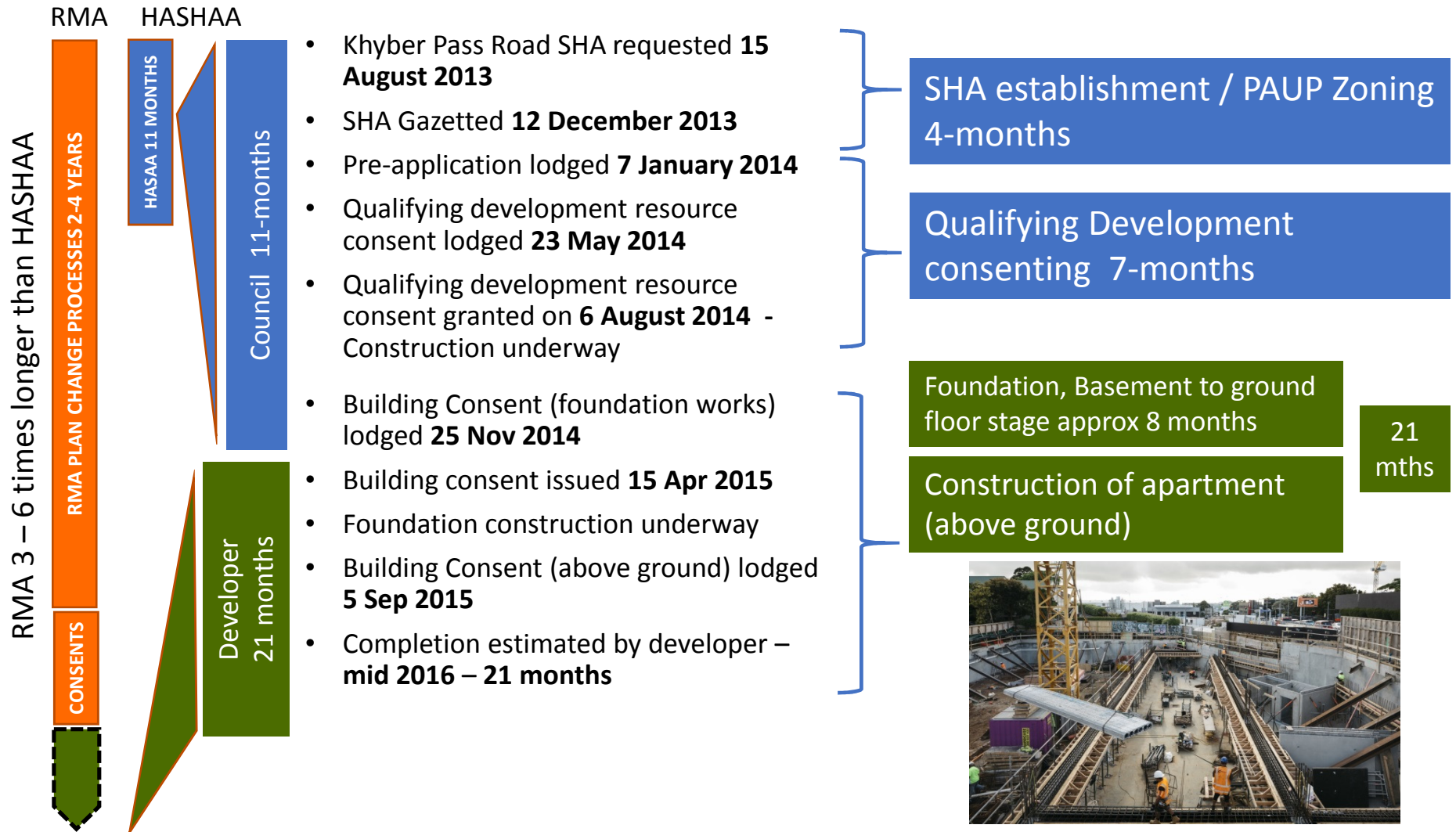
**Kensington Park Private Plan Change notified August 2010 – Operative Date, September 2012

} This excludes resource consenting which will add further delays

Case study on accelerated **greenfield** development – Whenuapai Village SHA Developer – Oyster Capital Limited. Home building - Fletcher Residential (Stage 1, 78 lots)



Case study on accelerated **brownfield** development – Khyber Pass Road SHA Apartment for 57 units



Executive summary - Special Housing Areas

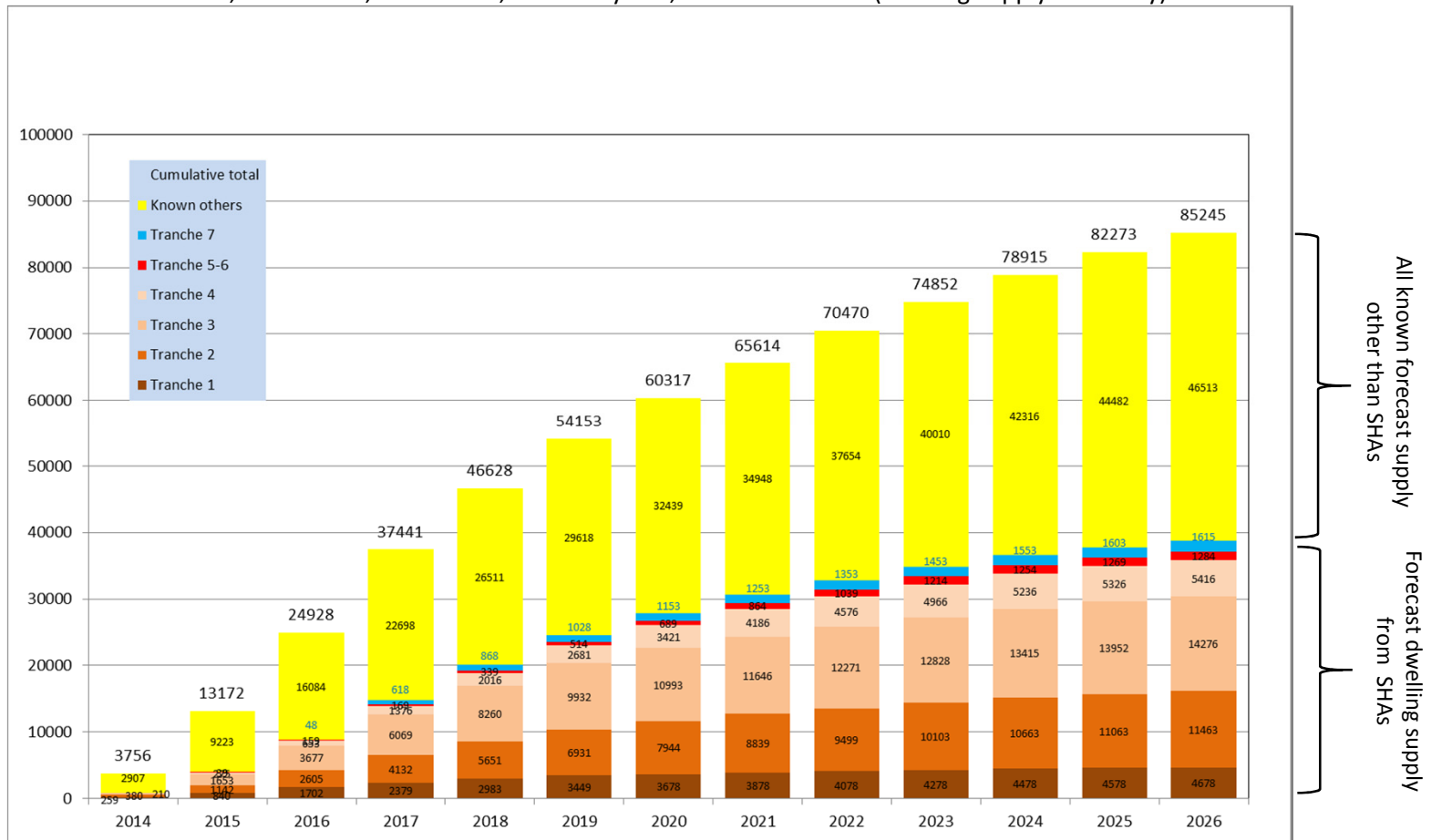
- The number of dwellings issued with building consents has accelerated in special housing areas including Hobsonville, Flat Bush, Northern Tamaki, Weymouth and Hingaia during Accord Year 2.
- As well, a significant pipeline of sections and dwellings have been consented in the Housing Project Office (HPO).
- At the end of the Accord Year 2:
 - 228 pre-applications for qualifying development resource consents had been lodged or processed by the HPO for 29,284 dwellings/ sections
 - The HPO was progressing 9 plan variations for 7,800 dwellings/ sections at Flat Bush, Hingaia (3 variations), Huapai Triangle, Orahia Road, Oruarangi Road, Scott Point and Whenuapai Village (second variation)
 - 2 SHA plan variations had been approved for 5,150 dwellings/sections at Whenuapai Village and Wesley College
 - 116 qualifying development resource consents were under assessment by the HPO for 2,221 dwellings/ sections
 - 172 qualifying development resource consents had been approved by the HPO for 2,374 dwellings/ sections.
- Within two years of the start of the Accord, homes are being delivered in SHAs like Weymouth and Northern Tamaki and sections delivered in special housing areas like Whenuapai Village, processes that would normally have taken 4 or more years.

Cumulative long term dwelling supply forecast: increasing impact of SHAs

Over the next 11 years, over 85,000 new greenfield and brownfield dwellings and sections are known to be in the pipeline. From 2016 the SHAs will play a significant role in housing supply.

Number of new dwellings that developers are known to be planning*

Auckland; 2014–2026; cumulative; calendar years; Auckland Council (Housing Supply Inventory)



* Known developments understate dwelling supply, as these figures only capture known developments of 5 or more dwellings.

Meeting Accord targets



Targets

The Auckland Housing Accord targets are based on the net number of new dwellings issued with building consents and sections created in Auckland each year.

Auckland Housing Accord

Paragraph 26

“The agreed goals, set out below, include all new dwellings and new sites consented under existing regulations or through the application of the new tools enabled through this Accord and are based on new building and subdivision consents in greenfield and brownfield areas.”

- **Dwellings**

- The number of new dwellings that receive building consent, as recorded in the monthly building consent data available from Statistics New Zealand.

- **Sections**

- The number of new residential sections of up to 5,000m² that are legally created in the land register, as recorded weekly by Land Information New Zealand.

Dwellings

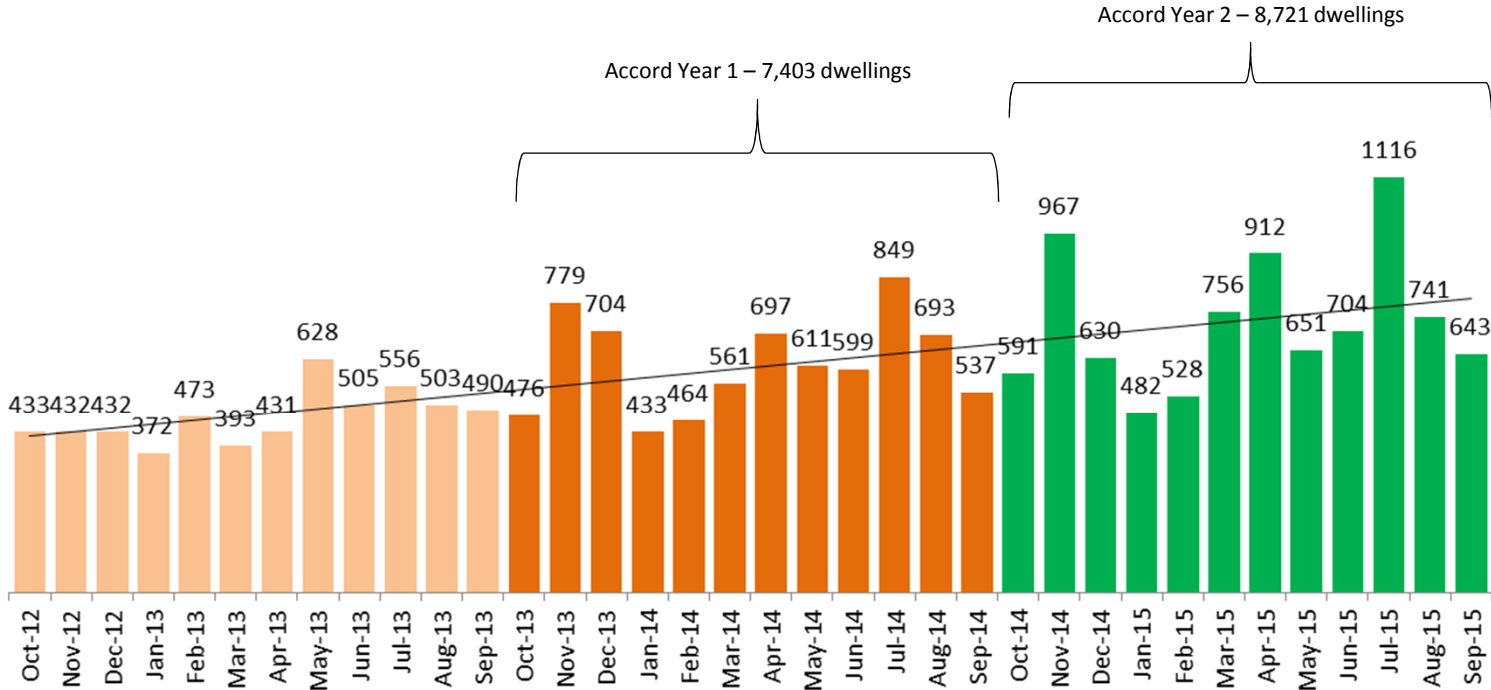


New dwellings issued with building consents – monthly

In Accord Year 2, October 2014 – September 2015, **8,721** new dwellings issued with building consents, up from **7,403** in the Accord Year 1.

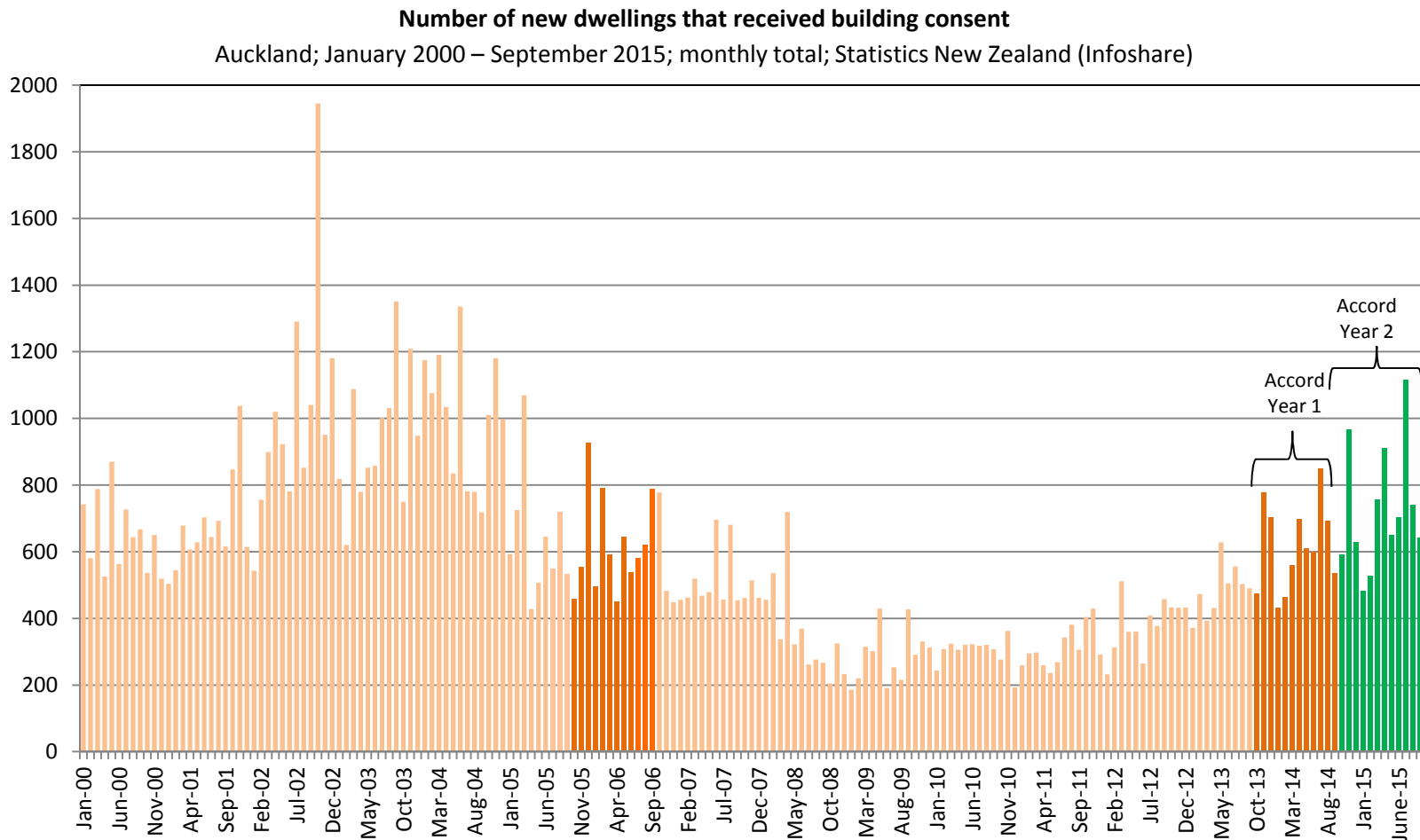
The medium-term trend line in new dwelling consents remains positive.

Number of new dwellings that received building consent
 Auckland; October 2012 – September 2015; monthly total; Statistics New Zealand (Infoshare)



New dwellings issued with building consents– long term trends

Accord Year 1 recorded the highest annual total in new dwellings issued with building consents (7,403) since 2006 (7,442). The new dwellings consented in Accord Year 2 (8,721) exceeded the numbers in Accord Year 1 by 1,318.



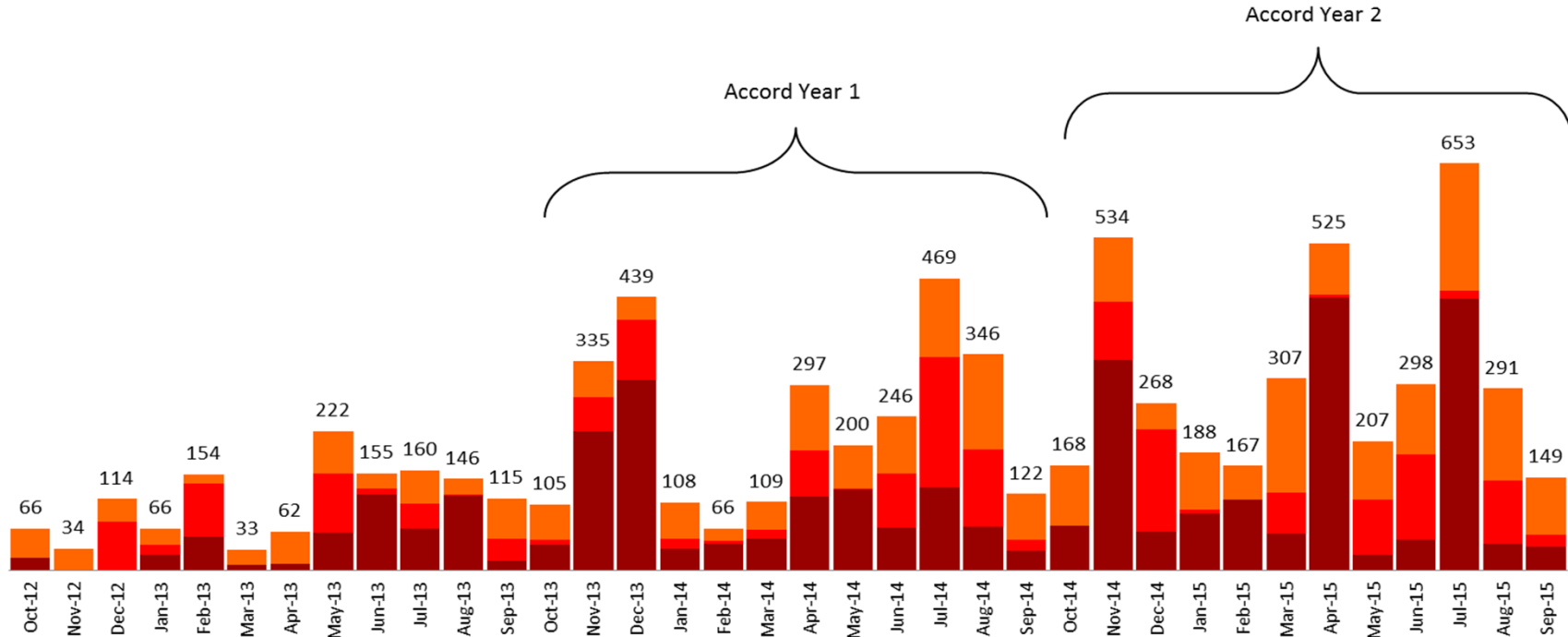
New dwellings issued with building consents in multi-unit buildings* – monthly

In Accord Year 2, **3,755** new dwellings in multi-unit buildings were issued with building consents – up by **913** from **2,842** in Accord Year 1. Dwellings in multi-unit buildings accounted for 43% of new dwellings consented.

Number of new dwellings in multi-unit buildings that received building consent

Auckland; October 2012 to September 2015; monthly total; Statistics New Zealand (Infoshare)

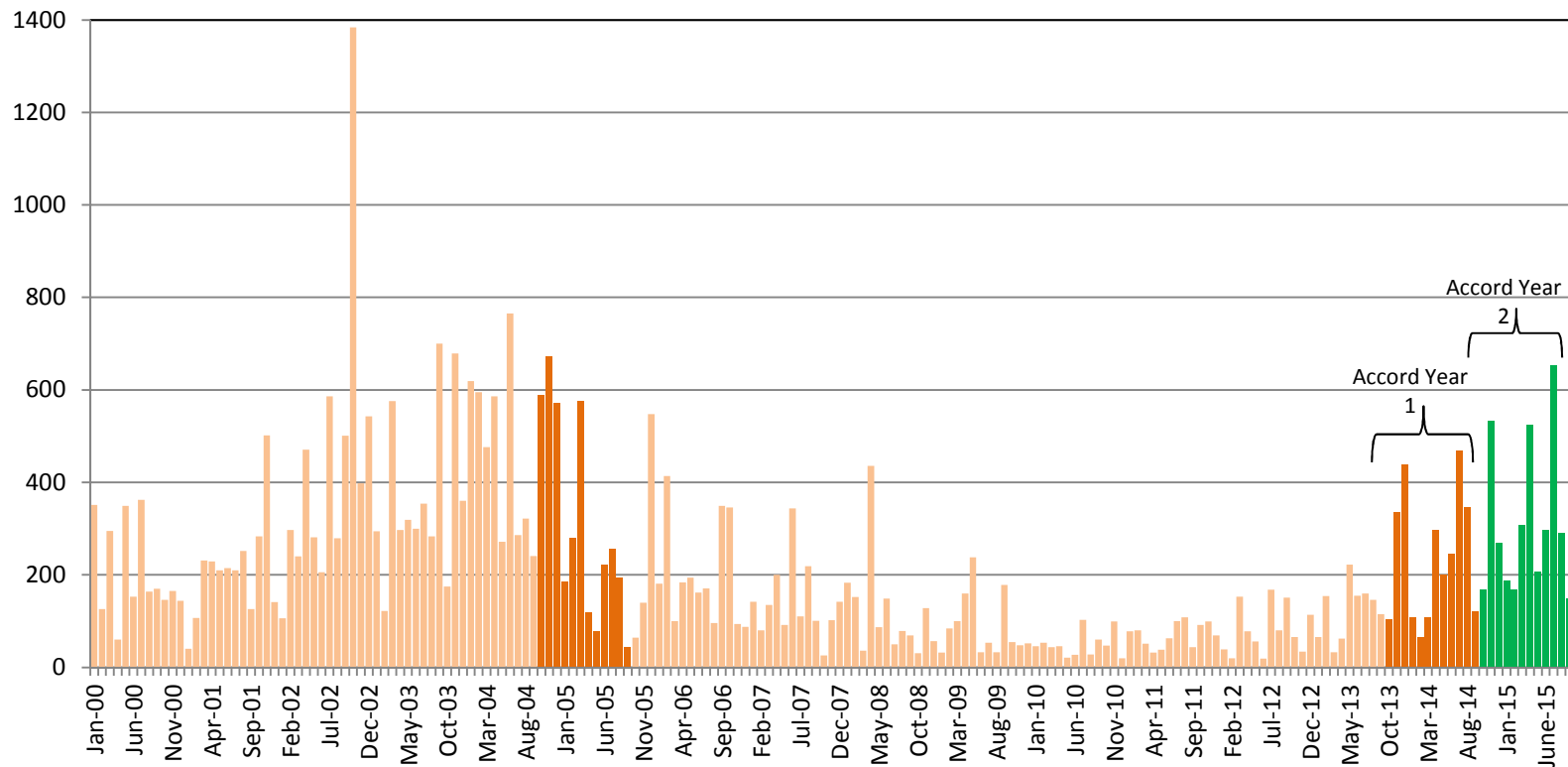
- Townhouses, flats, units, and other dwellings
- Retirement village units
- Apartments



New dwellings in multi-unit buildings issued with building consents – long term trends

The total number of dwellings in multi-unit buildings issued with building consents for Accord Year 2 (3,755) is the highest annual total to September since 2005 (3,783), a decade ago.

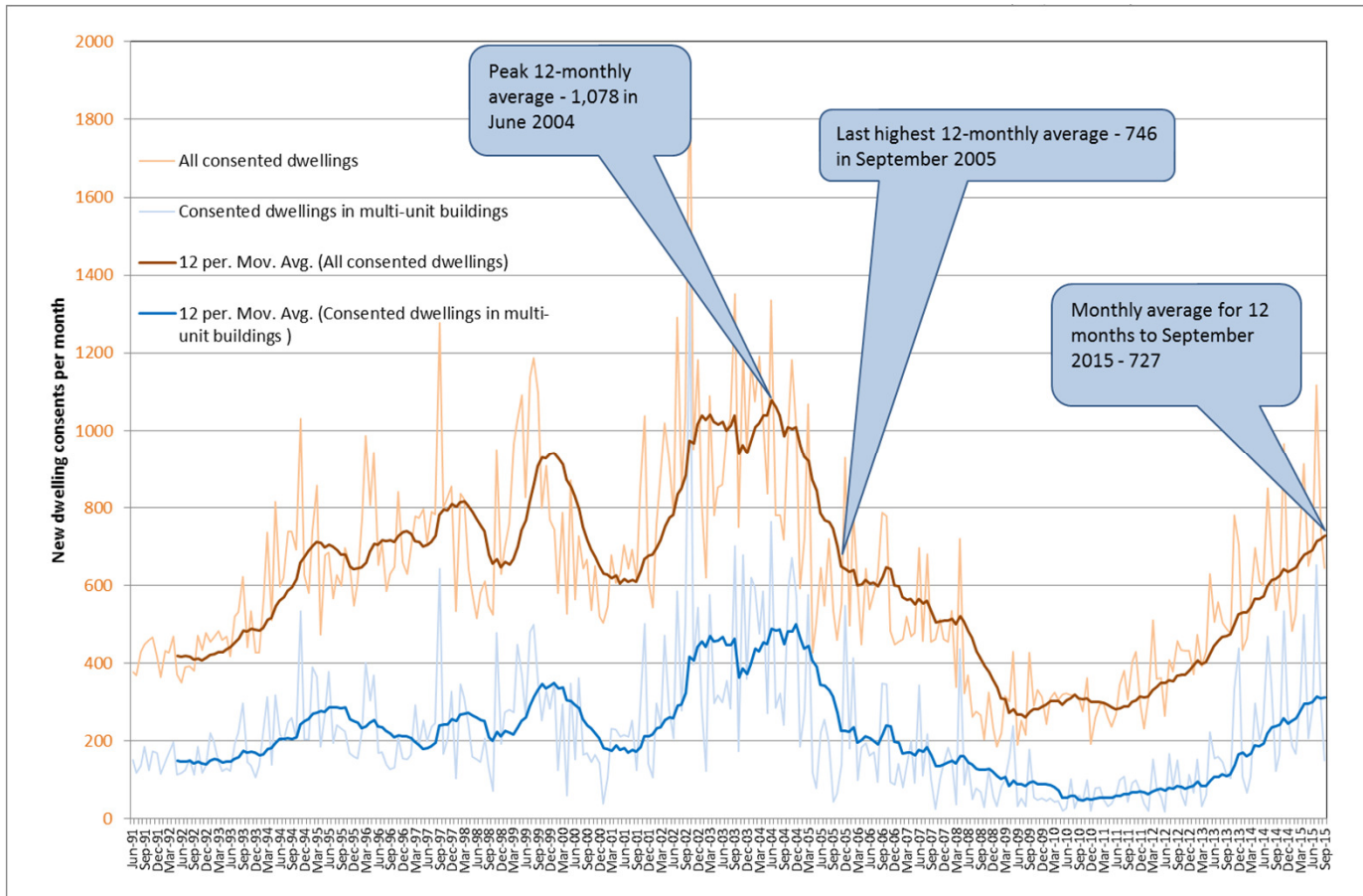
Number of new dwellings in multi-unit buildings that received building consent
Auckland; October 2012 – September 2015; monthly total; Statistics New Zealand (Infoshare)



Monthly new dwellings issued with building consents - moving average

The monthly average number of all new dwellings issued with building consents over the 12 months to September 2015 (727 per month) is higher than in any 12-month period since September 2005 (746 per month), but this is still only 67% of the previous peak 12-monthly average of 1,078 in June 2004. The 12-monthly average continues to increase steadily, now exceeding levels of a decade ago

Moving monthly average new dwellings that received building consent in the last 12 months



Yearly new dwellings issued with building consents

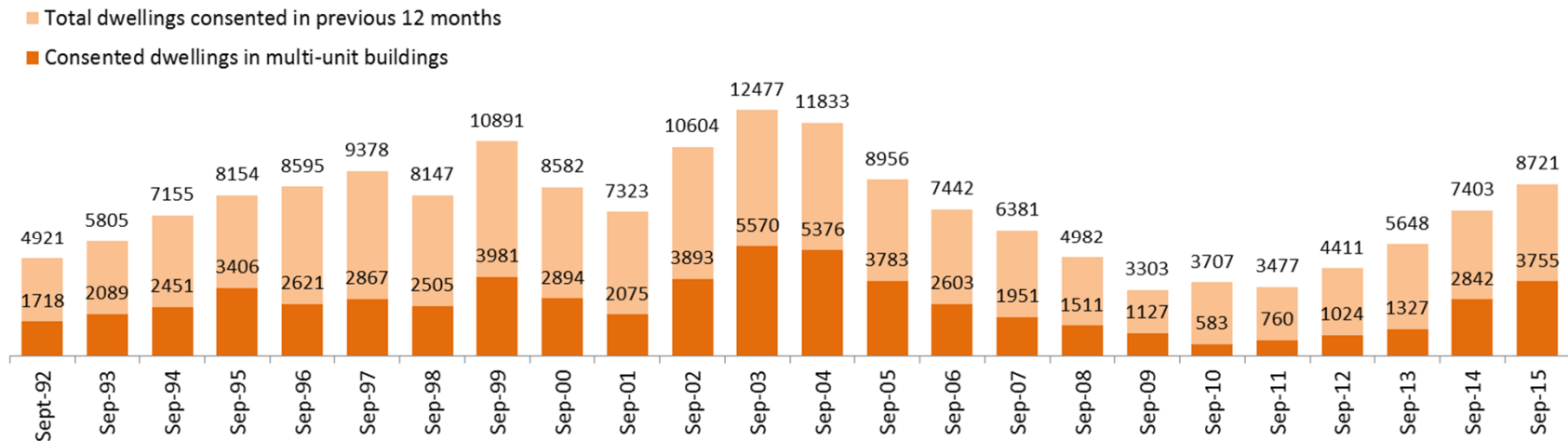
More new dwellings (8,721) were issued with building consents in the 12 months to September 2015 than in any 12 month period to September since 2005 (8,956).

However, this is still only 70% of the previous peak of 12,477 in June 2004.

New dwellings in multi-unit buildings issued with building consents in the year (3,755) was also the highest since 2005 (3,783); a decade ago.

Number of new dwellings that received building consent in the previous 12 months

Auckland; September 1992 – September 2015; Statistics New Zealand (Infoshare)

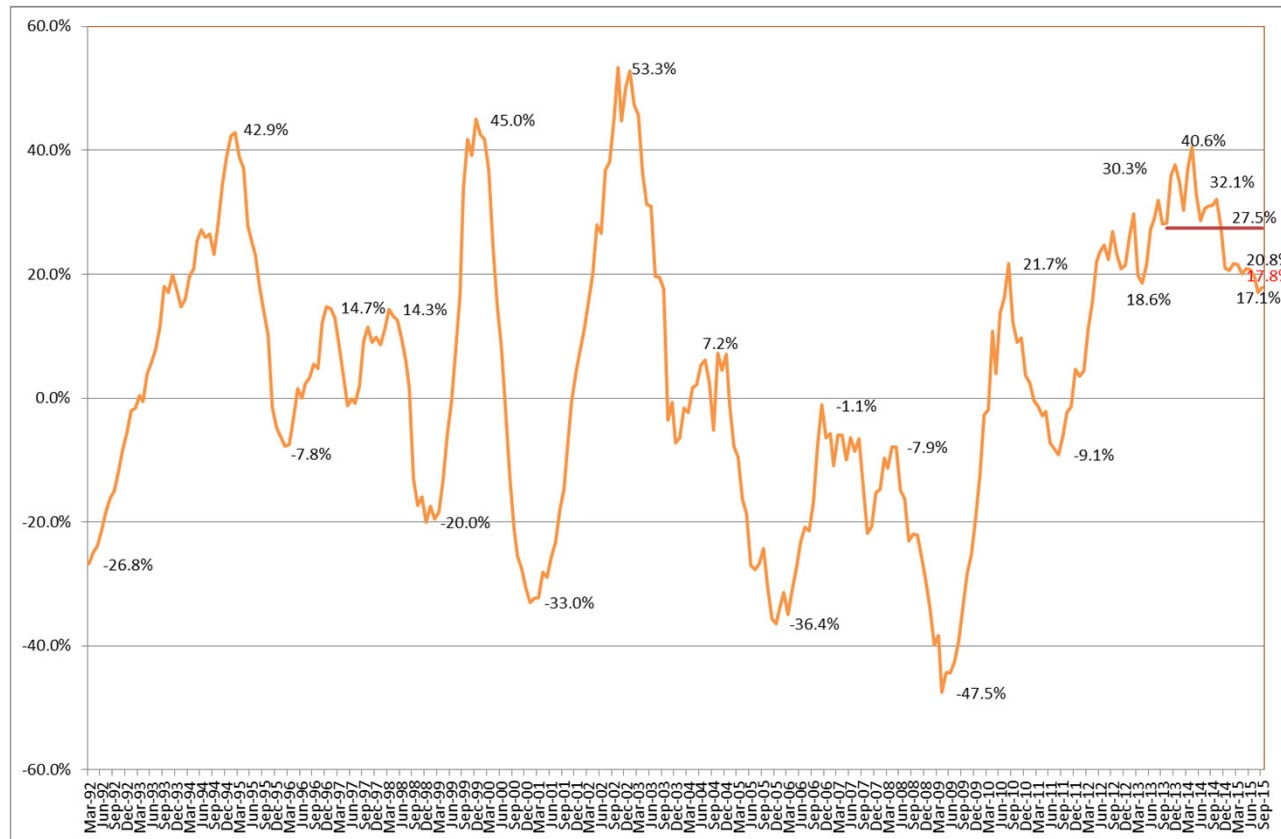


New dwellings issued with building consents – annual average growth on the previous year

Since the Accord took effect in October 2013, the annual increase in new dwellings issued with building consents to the same month in the previous year, has averaged 27.5%, peaking in April 2014 when dwelling consents in the year to April 2014 exceeded dwelling consents in the year to April 2013 by almost 41%. For Accord Year 2 to September 2015, the annual increase in consented dwellings over Accord Year 1 was 17.8%

Growth in consented new dwellings compared to the same month in the previous year

Auckland; March 1992 – September 2015: change in the number of consented dwellings; Statistics New Zealand (Infoshare)

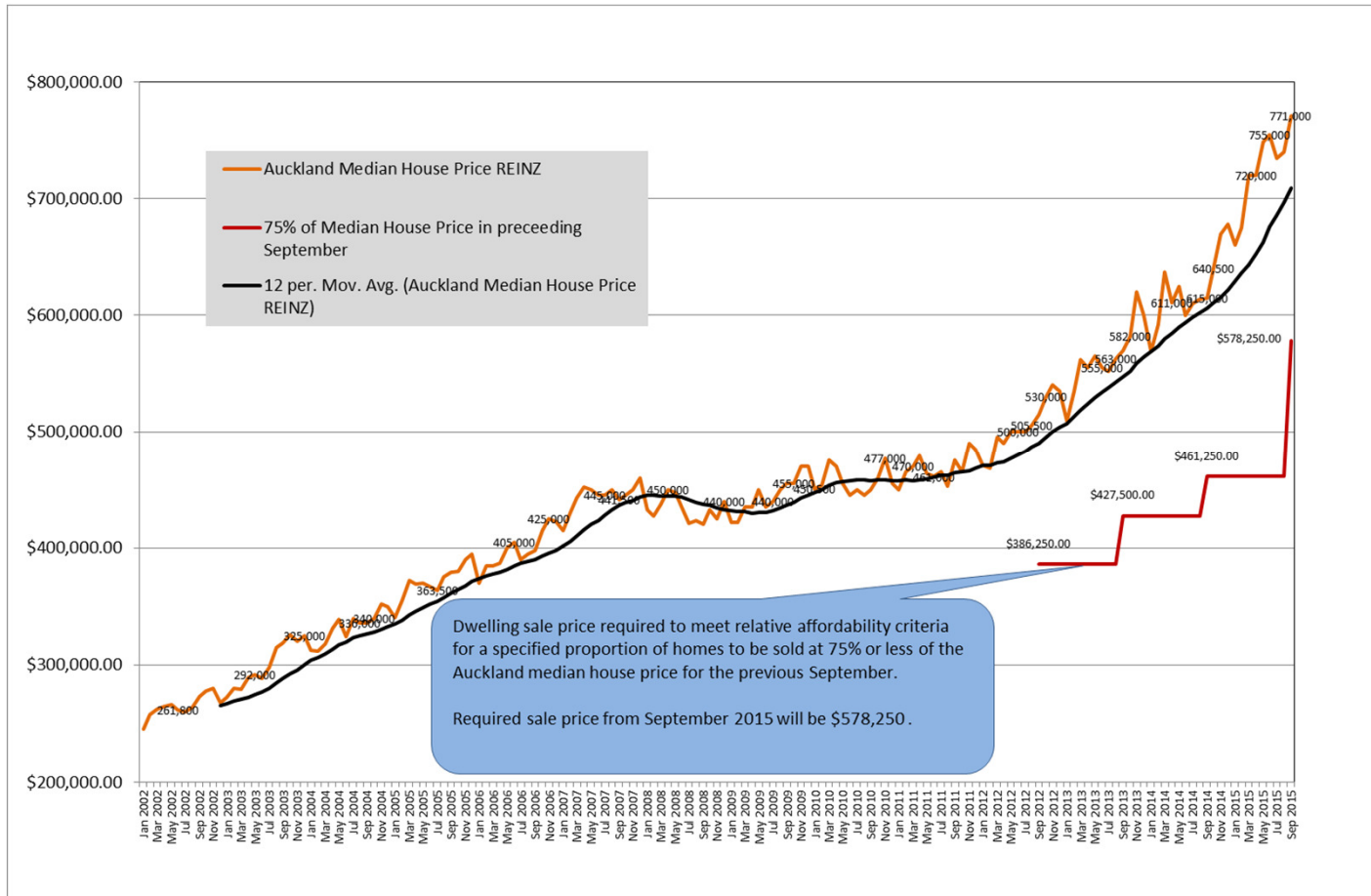


Dwelling sales prices

The Auckland median monthly house price in September 2015 increased to \$771,000 from \$615,000 in September 2014. Dwelling prices in Auckland continue to trend upwards, with the average median price for the 12 months to September 2015 increasing to \$709,485 from \$606,254 in the previous year.

Median dwelling price

Auckland; January 2002 – September 2015; monthly median and 12-month moving average; Real Estate Institute of New Zealand

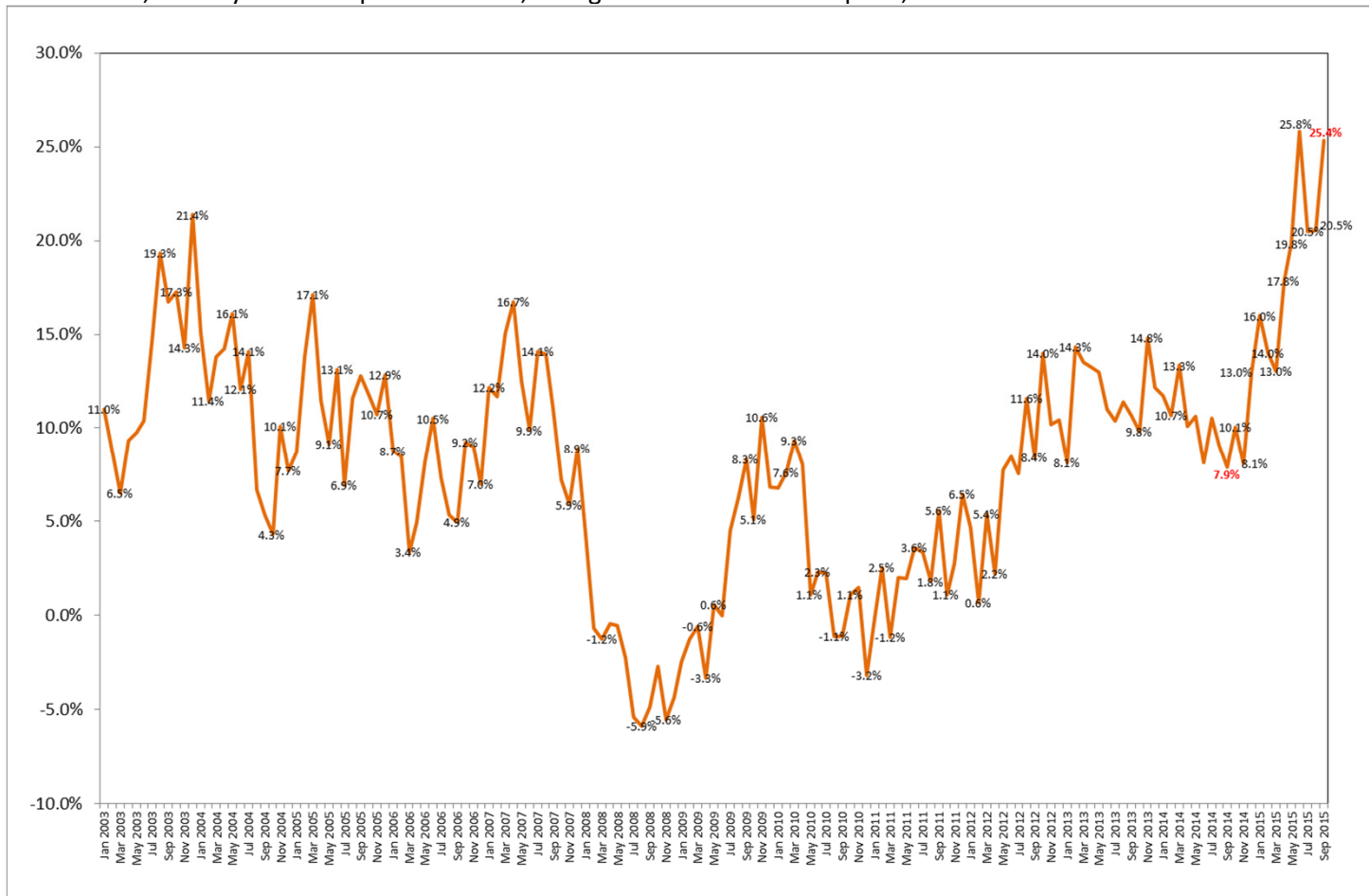


Dwelling sales prices – growth

The monthly annual growth rate in the median sales price for dwellings in Auckland trended downward from November 2013 to a low of 7.9% in September 2014 at the end of Accord Year 1. In the 12 months to September 2015, the monthly annual growth rate rose again to 25.4%.

Growth in the median sales price compared to the same month in the previous year

Auckland; January 2003 – September 2015; change in the median sales price; Real Estate Institute of New Zealand



Sections



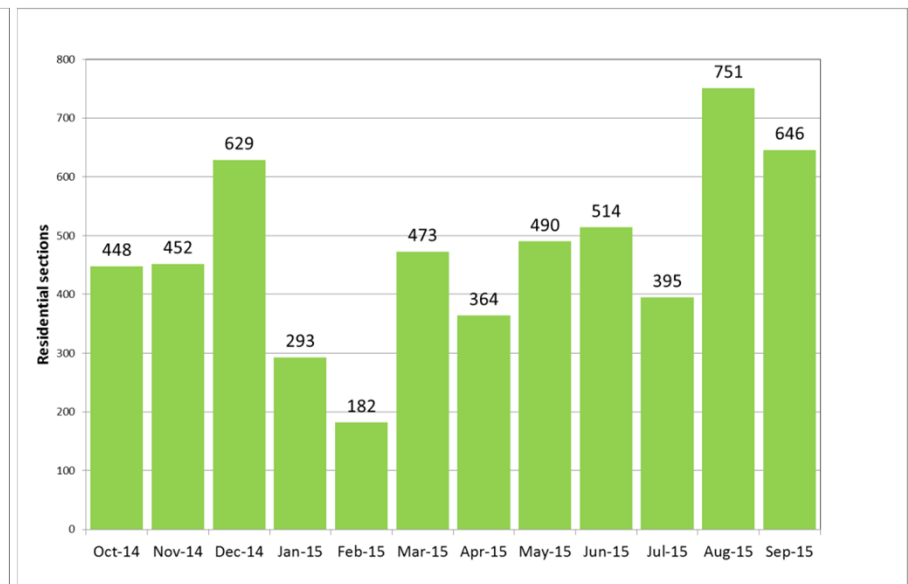
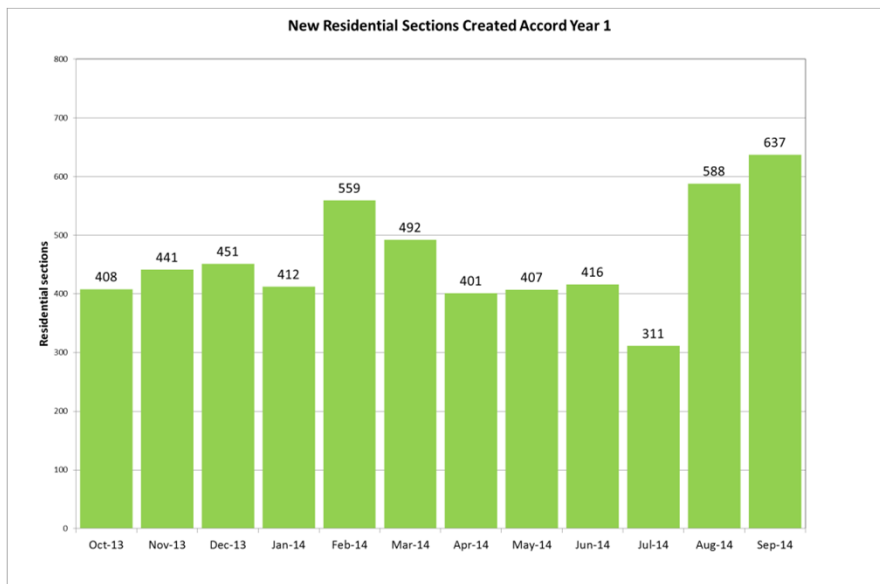
New residential sections – monthly

The average monthly number of new residential sections, under 5000m², created in Accord Year 1 increased from **428** per month in the year prior to the Accord, to **460** in Accord Year 1.

In Accord Year 2, the monthly average was higher than in Year 1 at **470** sections per month. There was a larger increase in new sections created in the last quarter of Accord Year 2, with monthly new sections averaging **597** per month.

Number of new residential section titles created

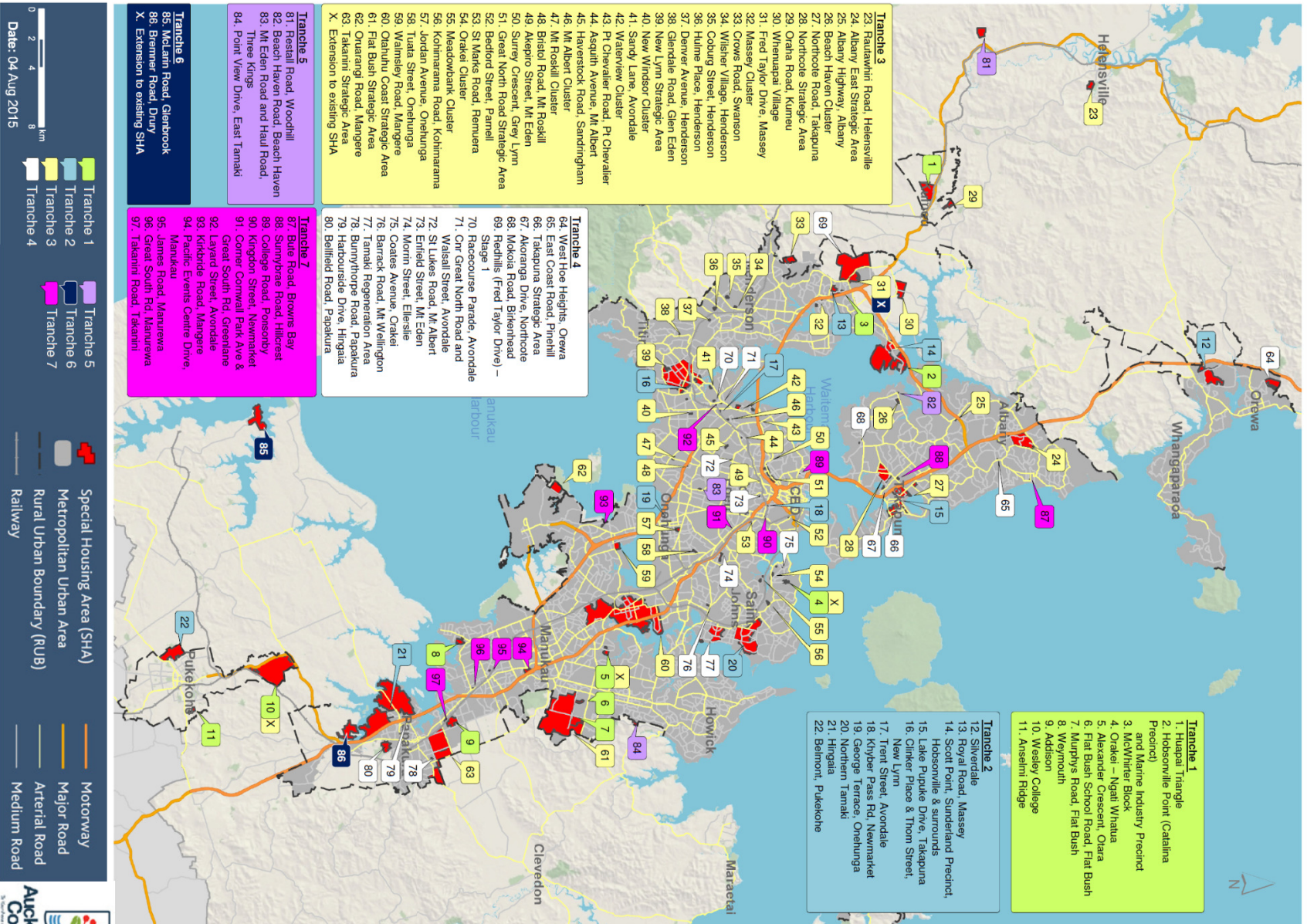
Auckland; monthly from Oct 2013 to September 2015; new sections < 5,000m² in areas zoned for residential housing; Land Information New Zealand



Special Housing Areas



Special Housing Areas (Tranches 1 - 7)

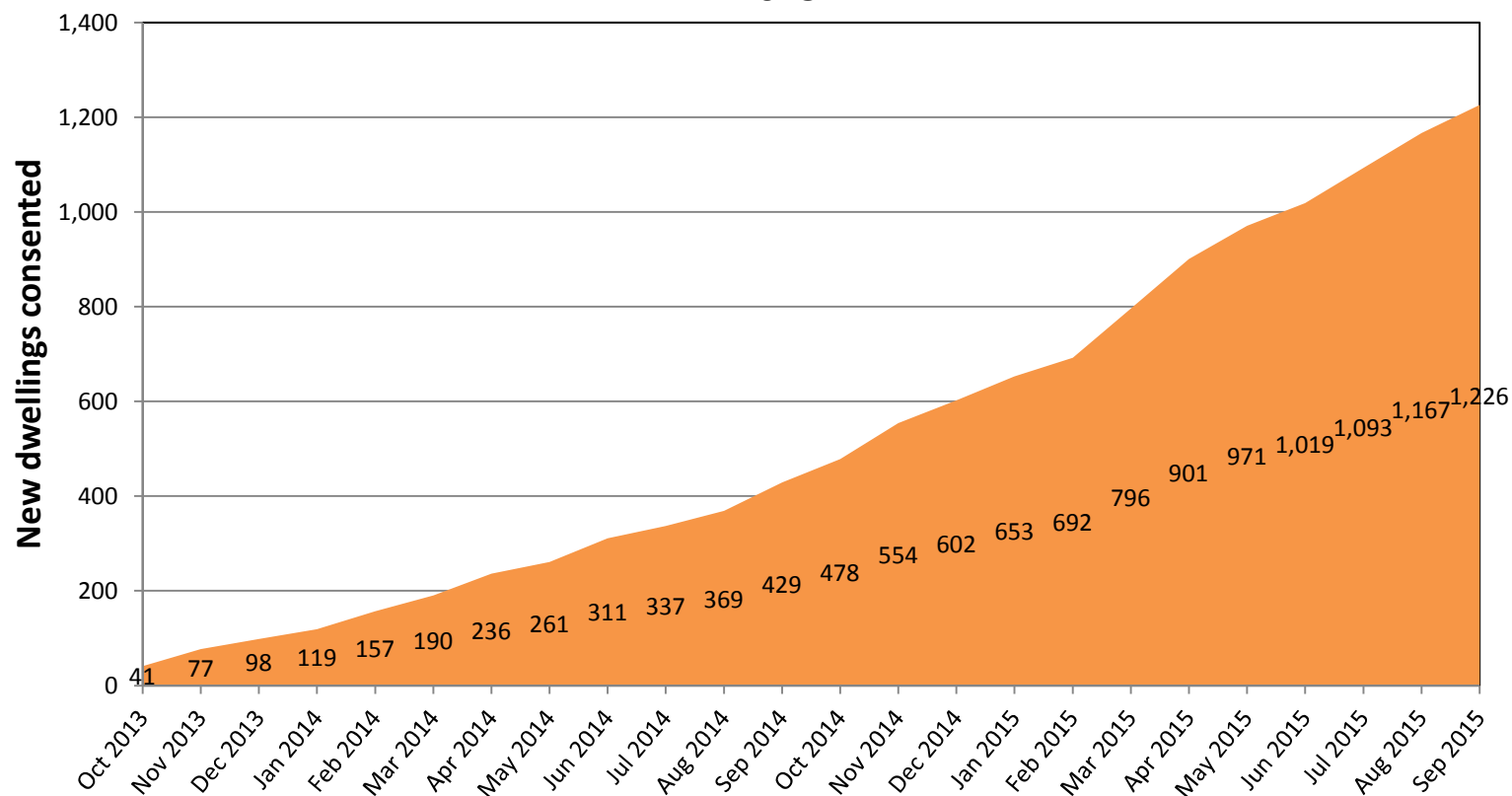


Dwelling creation in special housing areas

In Accord Year 1 to September 2014, **429** new residential dwellings were consented under a building consent in Special Housing Areas.

In Accord Year 2 to September 2015, a further **797** dwellings were consented bringing total dwelling consents in SHAs since the start of the Accord to **1,226** (Source RIMU, Auckland Council).

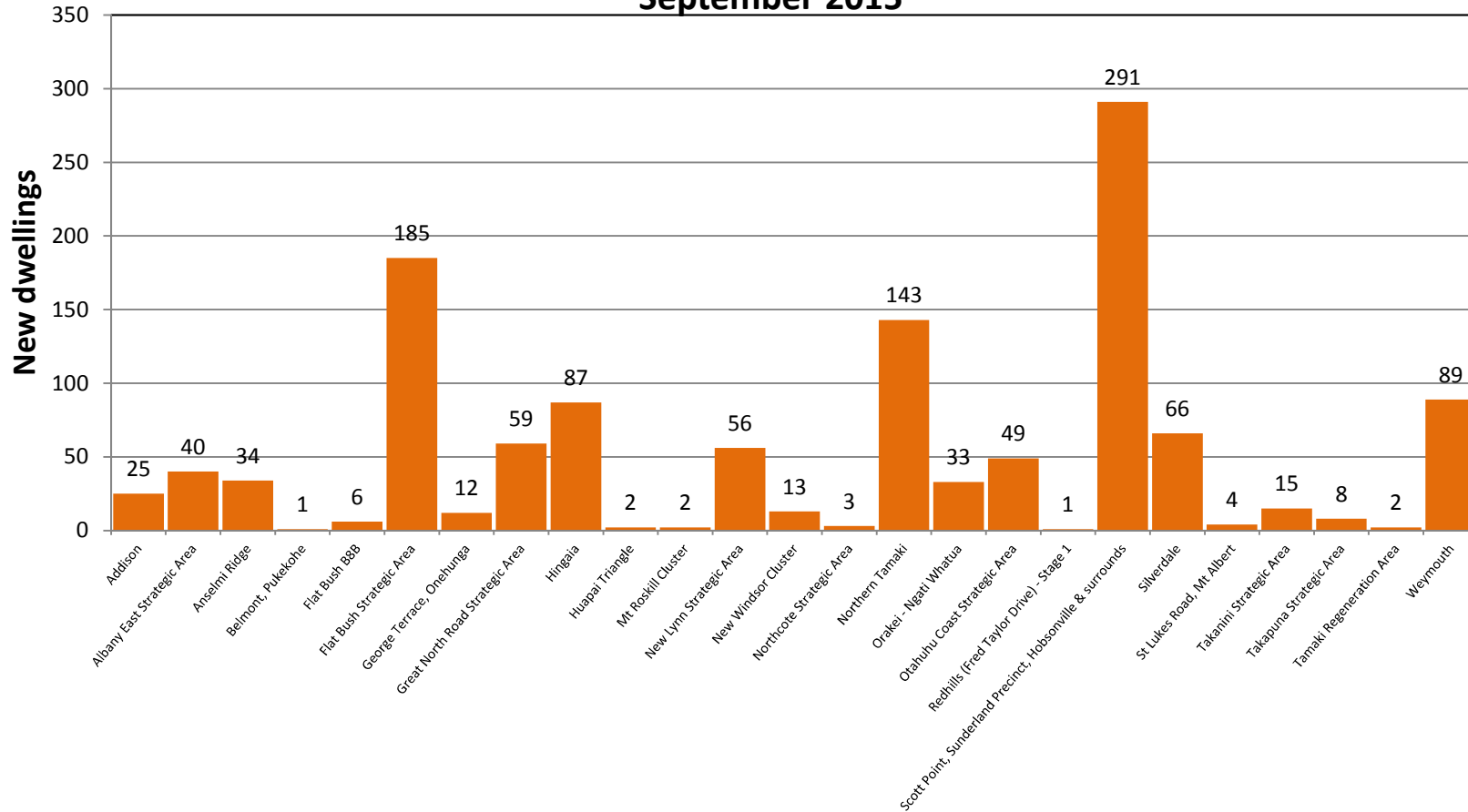
Cumulative new dwellings consented in SHAs - Oct 2013 to September 2015



Dwelling creation in special housing areas

Most new dwelling consents continue to be issued in areas already under development such as Flat Bush, Northern Tamaki and Hobsonville. Dwelling consents are accelerating since the last Monitoring Report in areas like Weymouth, Hingaia, Silverdale and Otahuhu Coast.

New residential dwellings consented in Special Housing Areas - Oct 2013 to September 2015



Dwelling completions in Special Housing Areas

- Since the start of the Accord on 1 October 2013, 1,226 dwellings have been given building consents in the SHAs and approximately 500 dwellings have been completed.
- While a number of SHAs are in the planning process or are still having earthworks and site preparations undertaken and dwellings constructed, dwellings had been completed in 16 SHAs.

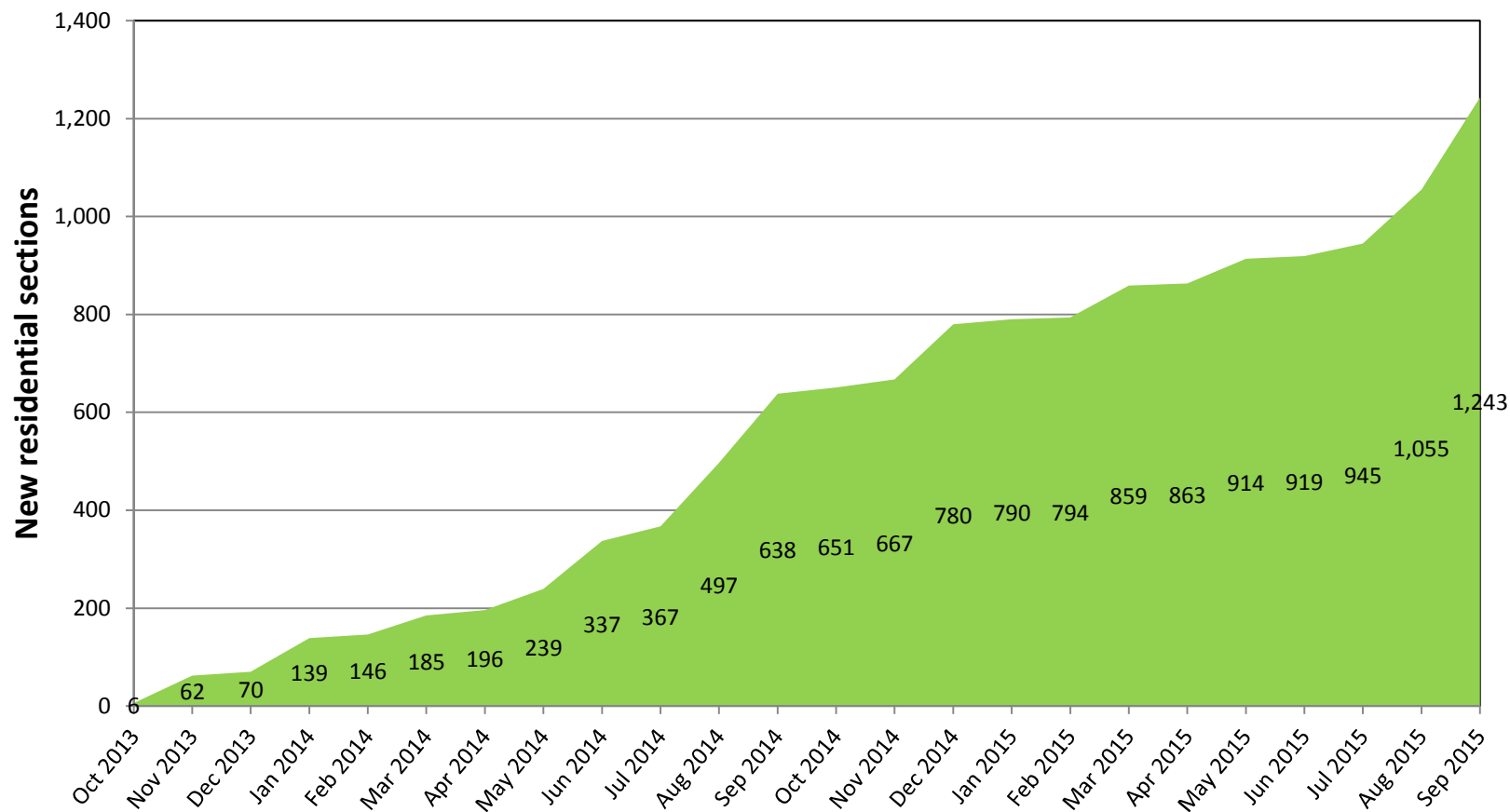


Section creation in special housing areas

In Accord Year 1 to September 2014, **638** new residential section titles under 5000m² were created in Special Housing Areas.

In Accord Year 2 a further 605 sections were created, bringing total sections created in SHAs since the start of the Accord to 1,243 (Source RIMU, Auckland Council).

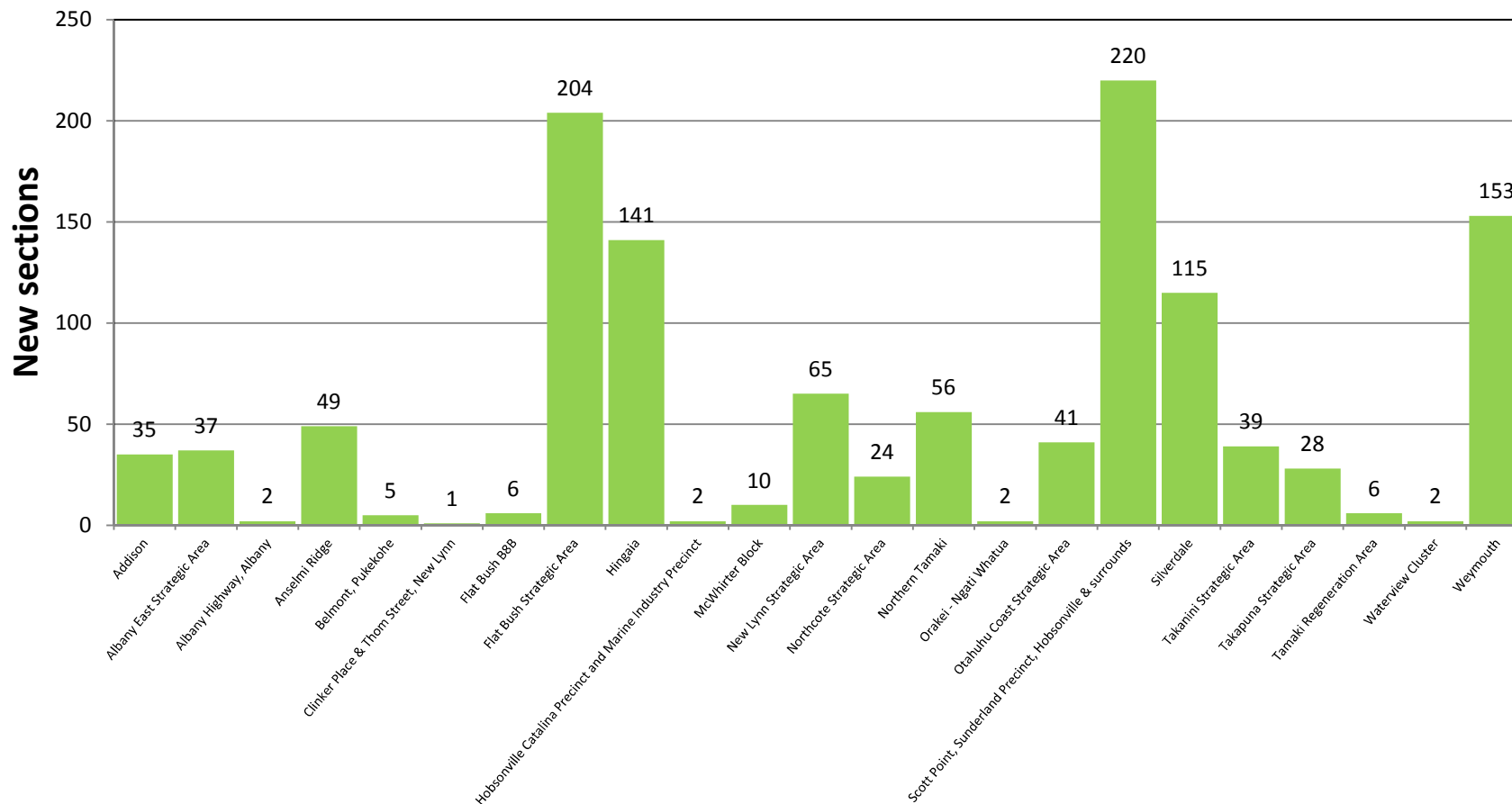
Cumulative new sections in SHAs - Oct 2013 to September 2015



Section creation in special housing areas

Most section creation activity is from subdivisions already in progress at the start of Accord Year 1 in places like Flat Bush, Hingaia and Silverdale. Section creation as a direct result of the Accord is now to be seen in places like Hobsonville (220), Weymouth (153), New Lynn (65) and Northern Tamaki (56).

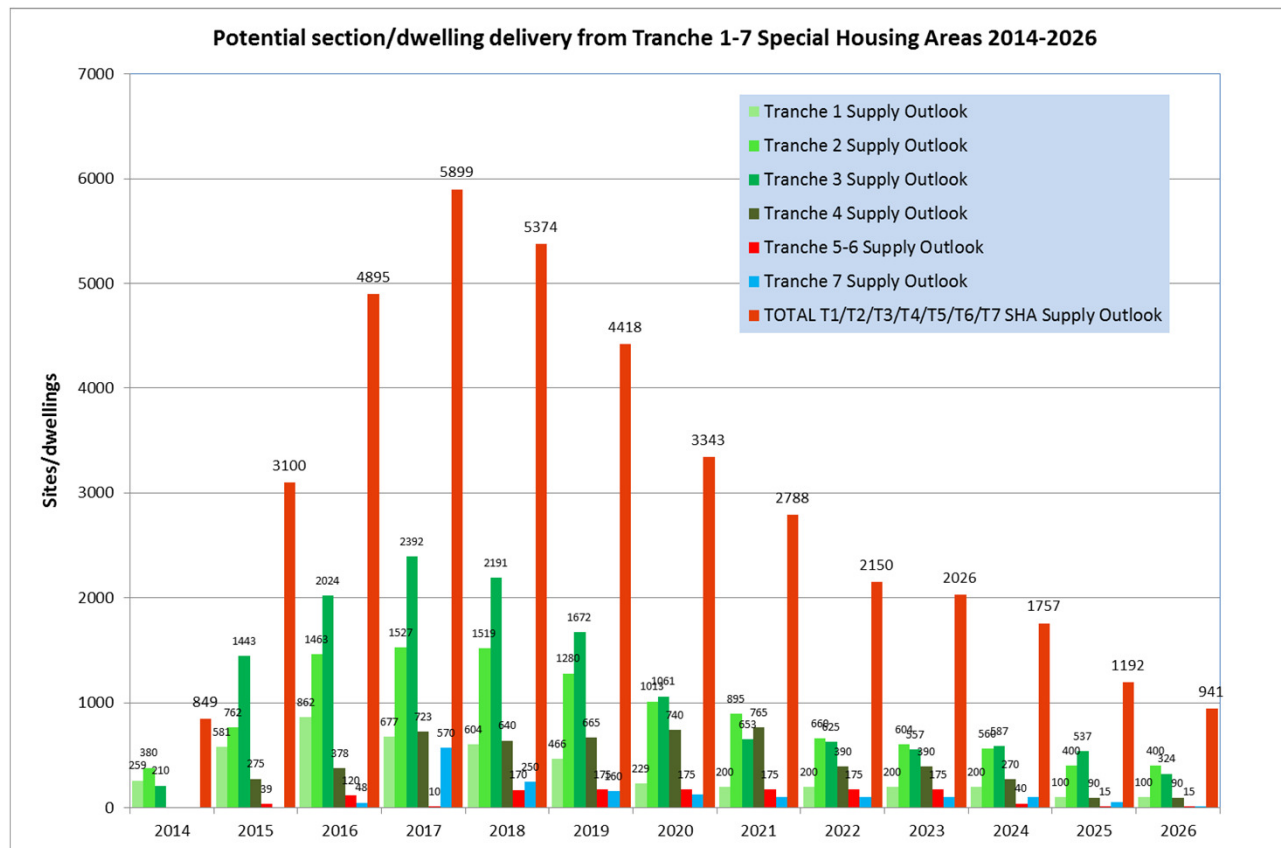
New residential sections in Special Housing Areas - Oct 2013 to September 2015



Special housing areas – expected supply

The 97 special housing areas in Tranches 1-7* are expected to supply about 10,000 dwellings or sections over the 3 years of the Accord. Over time, these could eventually deliver around 50,000 new dwellings. Actual yields may be lower or higher as plan variations and qualifying developments are progressed.

In calendar year 2014, **849** dwellings and sections were expected from SHAs. Data behind Slides 25 and 27 shows there were **504** new dwellings consented and **710** new sections created in SHAs, giving **1,214** new dwellings/sections in the calendar year– exceeding expected delivery. In calendar year 2015, **3,100** dwellings and sections are expected from SHAs (2,325 for the nine months to September). In the first 9 months of the calendar year to September 2015, **624** new dwellings were consented and **463** new sections created in SHAs, giving only **1087** new dwellings/sections, below expectations.



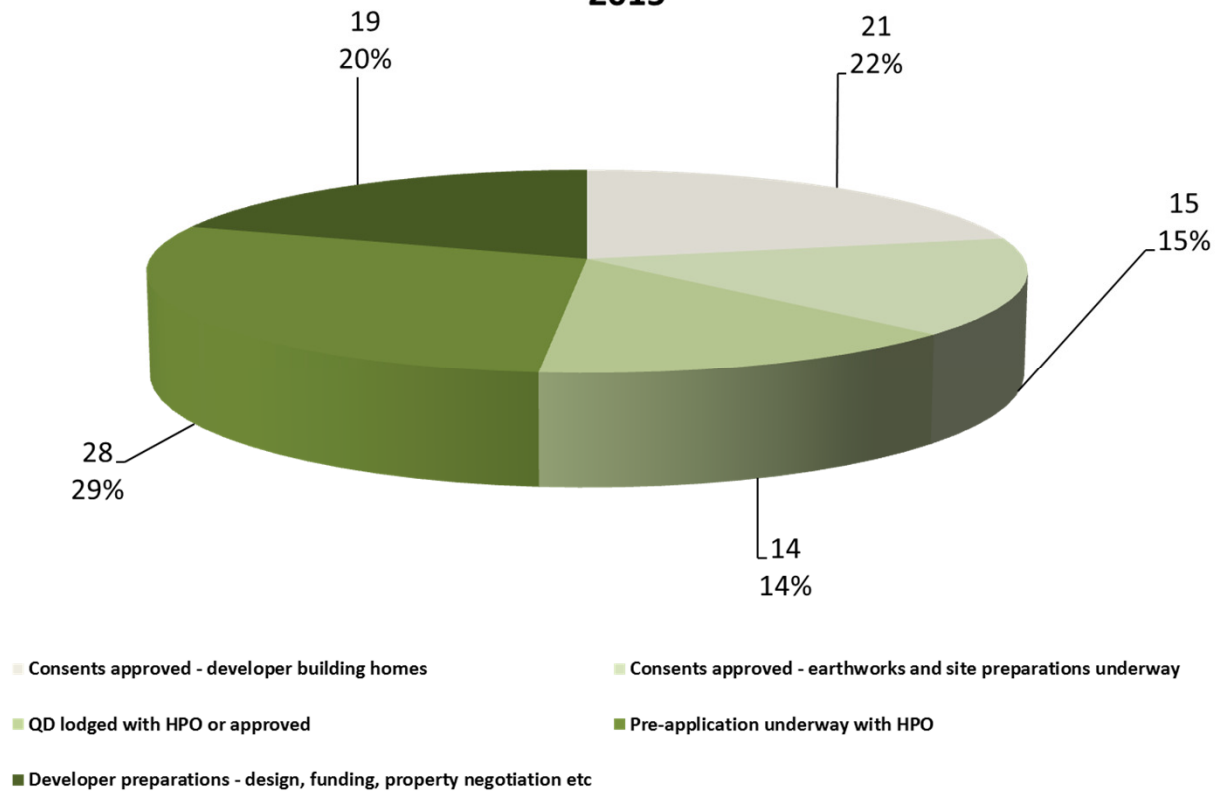
*Tranche 7 was announced by the Minister in August of Accord Year 2

Activity in SHAs

At the end of Accord Year 2 – September 2015 there were good levels of activity occurring in the 97 SHAs in Tranches 1-7 with:

- 21 SHAs having homes being built in them
- 15 SHAs having earthworks and site preparations underway
- another 42 SHAs in various stages of the planning process.

Special Housing Area Performance (Number of SHAs) at 30 September 2015

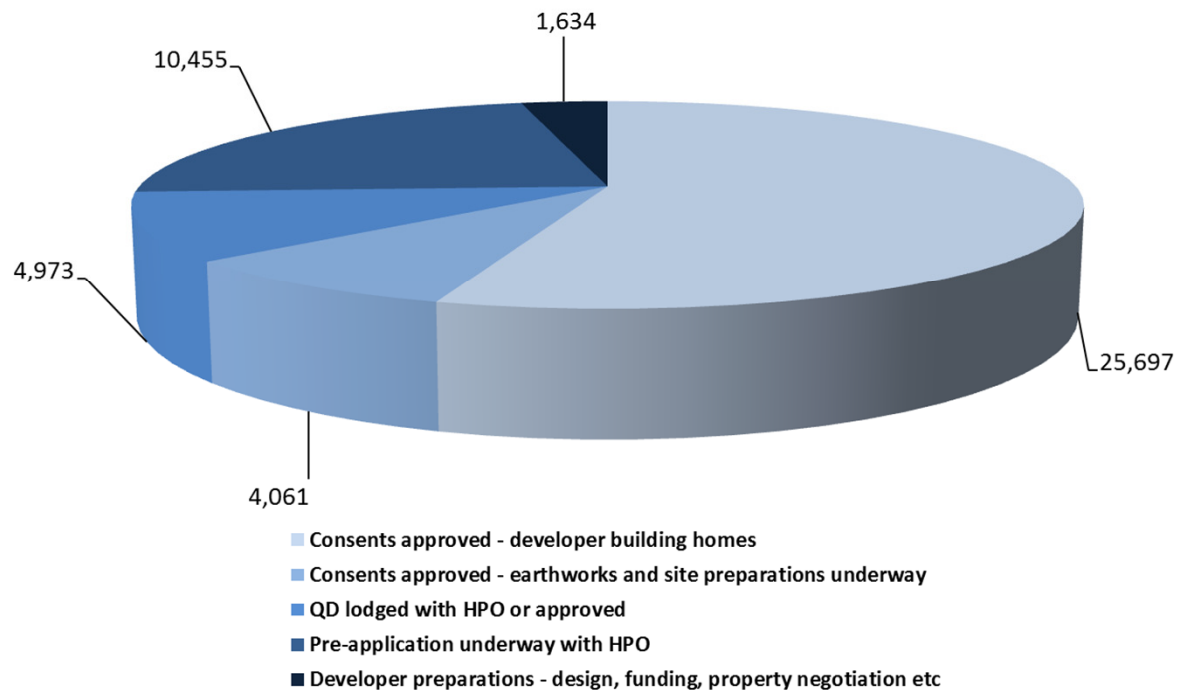


Yield expected from SHAs by degree of activity

At the end of Accord Year 2 – September 2015:

- Developers were building homes in SHAs capable of a final yield of just under 26,000 dwellings over 10-15 years
- Earthworks and site preparations were underway in SHAs capable of a final yield of over 4,061 dwellings
- Over 4,970 sections/ dwellings were subject to lodged or approved Qualifying Developments

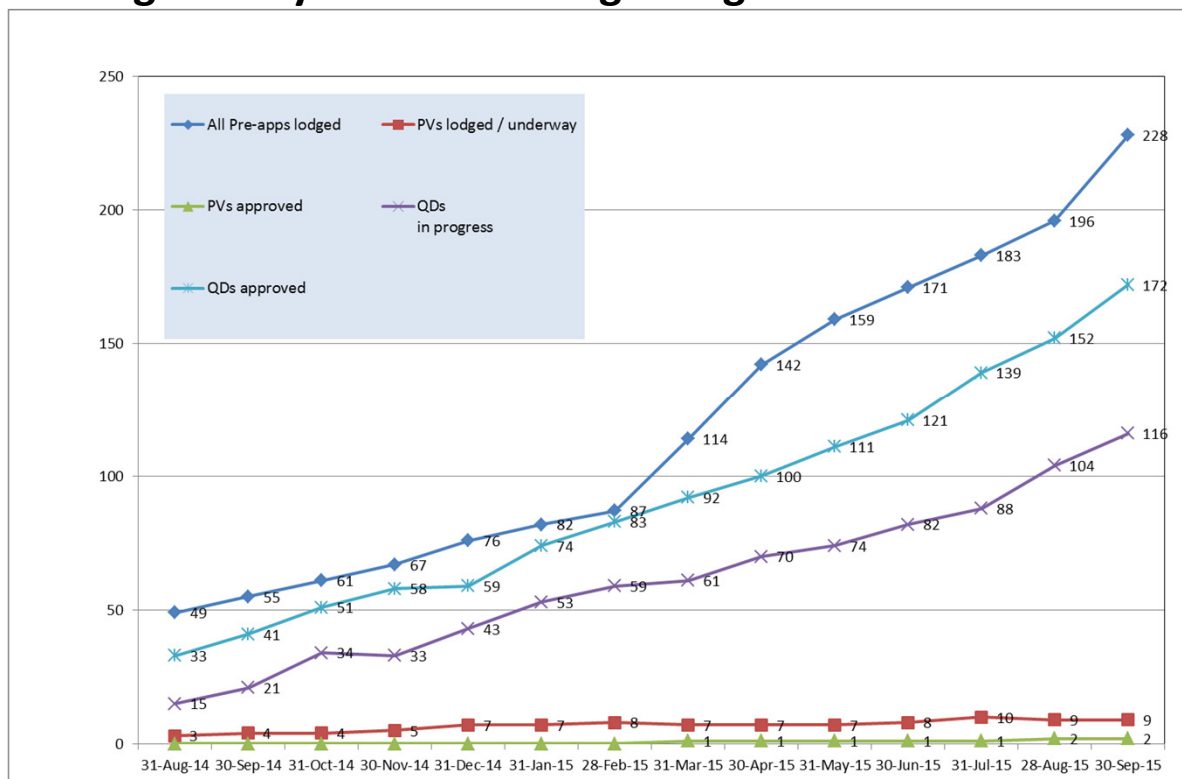
Special Housing Area (Final yield by degree of activity) at 30 September 2015



HPO Master planning and consenting



HPO Master planning activity – From the beginning of the Accord to 30 September 2015



At the end of the Accord Year 2

- 228 pre-applications had been lodged or processed for 29,284 dwellings/ sections
- 9 Plan variations were underway for 7,800 dwellings/ sections at Flat Bush, Hingaia (3 variations), Huapai Triangle, Oraha Road, Oruarangi Road, Scott Point and Whenuapai Village (second variation)
- 2 Plan variations had been approved for 5,150 dwellings/sections at Whenuapai Village and Wesley College
- 116 Qualifying developments were in progress for 2,221 dwellings/ sections
- 172 Qualifying development consents had been approved for 2,374 dwellings/ sections.

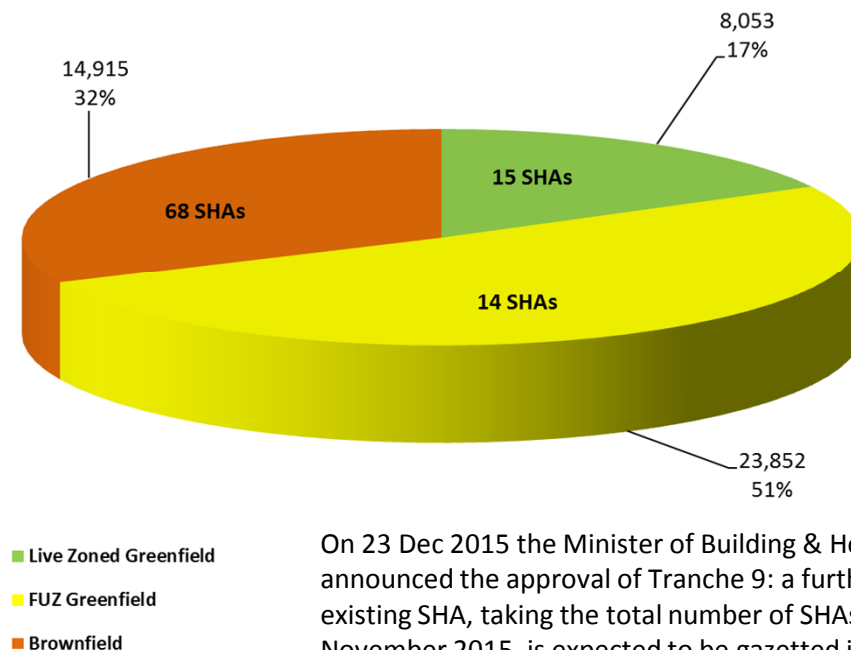
Land supply



Special Housing Area - Establishment

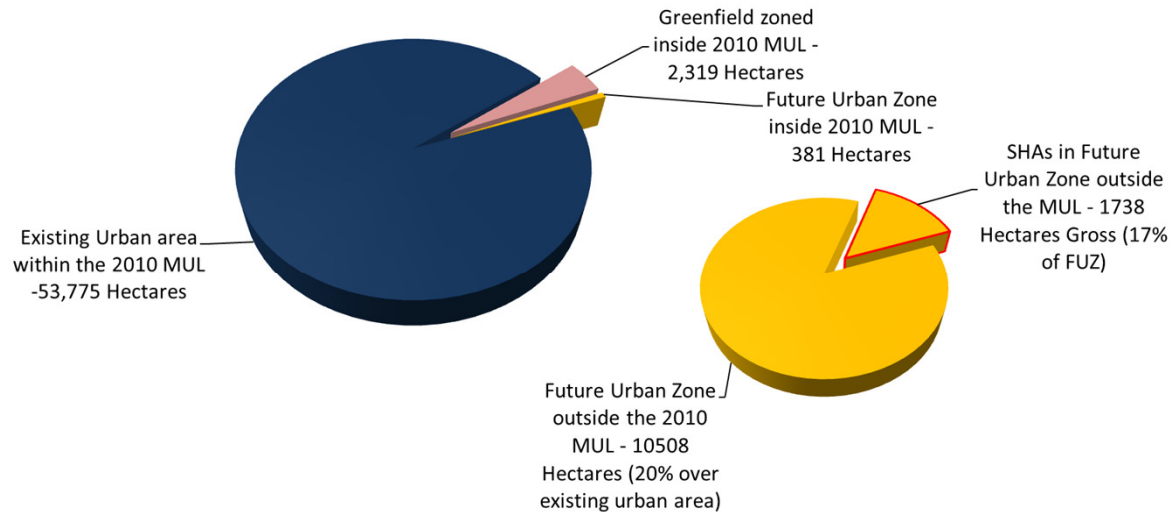
- 86 Special Housing Areas (Tranches 1 – 6) had been gazetted as at 30 September 2015, the end of Accord Year 2.
- 11 Special Housing areas (Tranche 7) were announced by the Minister on 27 August 2015 adding capacity for 1,595 dwellings to the final potential SHA yield.
- Of these 97 SHAs – the bulk of the final yield (68%) will come from greenfield sites.
- However, 68 brownfield locations account for 32% of yield (14,915 dwellings).

Tranche 1-7 SHA Section/ Dwelling Yield and Percentage Share of Total Yield by Land Type at 30 September 2015



On 23 Dec 2015 the Minister of Building & Housing and the Mayor of Auckland announced the approval of Tranche 9: a further 9 new SHAs and one extension to an existing SHA, taking the total number of SHAs to 106. Tranche 8, announced 23 November 2015, is expected to be gazetted in mid-December 2015. These tranches fall into Y3 of the Accord.

SHAs and future urban land supply outside the 2010 MUL



- There are 10,508 ha of Future Urban Zoned land *outside* the 2010 Metropolitan Urban Limit (MUL), nearly 20% more than the extent of the current metropolitan area (53,775 ha).
- This could accommodate around 200,000 people, close to the current population of Hamilton, New Zealand’s fourth biggest city.
- 16 of the 97 SHAs are *outside* the 2010 MUL and make up 1,737.6 ha (gross) of the Future Urban Zone. These SHAs could accommodate 20,417 dwellings.
- At the end of Accord Year 2, Auckland had between **6.15** years’ worth of G1 greenfield land supply – land zoned and serviced with bulk infrastructure.
- Following plan variations under the Accord, a number of Future Urban Zoned SHAs will combine to provide another **4.19** years of G1 supply.



SHAs and future urban land supply outside the 2010 MUL

Special Housing Areas outside MUL (1737,55ha)



Date: 30 Sept 2015

- Special Housing Area (SHA)
- Future Urban Zoning (Unitary Plan)
- Metropolitan Urban Area (MUL) 2010
- Metropolitan Urban Limit (MUL) 2010
- Rural Urban Boundary (RUB)
- Motorway
- Major Road
- Arterial Road
- Medium Road
- Railway

